

27 March 2020

Further COVID-19 Update

Retail Food Group Limited (RFG, the Company or Group) today announced that, given the rapid escalation of measures being employed by Australian governments to slow the spread of COVID-19, and the current uncertainty regarding the duration and impact of the pandemic on its operations, a series of additional operational and workforce planning measures are being implemented. These measures are in addition to the previously announced short-term strategies adopted to reflect the current trading climate.

In order to safeguard as many jobs as possible over the longer term, and to better preserve and protect the sustainability of its franchise network, the Company is implementing a reduction in the total working hours across the Group, in consultation with its personnel, by either standing down, or reducing the working hours of, the majority of RFG's team members. Those team members most impacted by this measure will be assisted where possible through this difficult period.

The Board and senior management thank all of RFG's team members for their continued support and understanding in these troubling times.

From an operational perspective, whilst Brumby's performance has continued to exceed expectation over the past few weeks, recent trading data continues to support RFG's expectation of a significant reduction in customer count across the Group's domestic franchise network, most acutely within those outlets situated in shopping centres, and a direct result of the community's response to the COVID-19 outbreak and increasingly more stringent measures announced by government to combat it.

RFG Executive Chairman Peter George noted the strong link between the Group's performance and that of its franchise network, which had been impacted by rapid change within the retail market.

"A large majority of our franchise partners are facing an extremely difficult trading environment, particularly within shopping centres, as consumers react to the increasingly onerous measures taken by government, and of course are focused on more immediate issues such as their and their family's health and safety".

"As a responsible franchisor it is necessary for us to take a long-term and pragmatic approach to best assure the future sustainability of our franchise network for all stakeholders, to ensure our costs are reduced to match our anticipated revenues in the foreseeable future, and to best position RFG and its franchise network for a return to less challenging times".

"We remain focused on providing practical and meaningful support to our franchisee partners, including financial assistance for those who require it most, and are continuing to closely monitor the preventative actions taken by government and regulators in the markets that we operate in and their potential impact on our business. Where it is necessary to take additional action to further insulate the Group and its franchisee community from this rapidly evolving situation we will do so".

This announcement has been authorised by the Board of Directions.

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For further information, interviews or images, please contact:

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About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise owner and a roaster and supplier of high-quality coffee products. The Company also operates in the dairy processing sector. For more information about RFG visit: www.rfg.com.au